

## INTEGRATING SELF-MANAGED WORK TEAMS INTO VIETNAMESE SME ORGANIZATION

A case study at a food retail chain in Da Nang city, Vietnam

Trung H. Nguyen

International Business

Bachelor's Thesis

Supervisor: Almor Tamar

Date of approval: 13 April 2017

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## **ABSTRACT**

**Purpose:** Vietnam is having tough competition when joining free trade zones. SMEs in Vietnam with limited resources and a low level of management and advanced technology applications are facing hard time when competing with companies, especially multi-national companies. To respond to difficulties, many of Vietnamese companies try to implement SMWTs to boost the organizational performance and reduce waste. However, there are hidden barriers that prevent them from implementing effective SMWTs. This paper aims to figure out whether SMWTs can be successfully integrated and the barriers that prevent the transformation, so that the organizations can prepare well enough before the implementation.

**Methodology:** in-depth interview with team members at an SME in Vietnam, then compare the collected information to the literature synthesis to predict the effectiveness of the SMWT.

**Key words** SMWT, culture, Vietnam, barriers

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## **1. INTRODUCTION**

### **1.1. Background**

The competition in Vietnam is more and more intensified when it is going to join free trade agreements like ASEAN Economic Community or Trans-Pacific Partners. These free trade agreements will lower or remove tariffs among country members which makes the competition more extreme. The price of many foreign products are perceived lower while the quality is superior in comparison to those in Vietnam. In a recent survey by Vietnam government, many of SMEs in Vietnam still are not aware of the ahead competition, so they have not prepared anything yet. Meanwhile, many companies from Thailand, Japan, or Singapore have prepared by doing many M&A or established their plants or stores in Vietnam.

In addition to those problems, the technology advance and the high level of management of companies from the more developed countries will be intensify the competition for companies in Vietnam. In Vietnam, most companies are SMEs which have limited financial capital, so they still use more physical workforce than technology like robots. Also, a majority of them are family business which does not have a high level of management, leading to a vast of waste. This “David and Goliath” situation of Vietnam companies and foreign multinational companies has implied that Vietnam needs to do something differently in order to compete.

Fortunately, some of Vietnamese companies are realizing many techniques to improve their productivity and reduce waste to survive in a tougher world. One of that technique is implementing self-managed work team into their companies to boost the organizational performance as a possible solution to ahead competition. Although self-managed work team has a long history and proves it positive effects in many companies and countries (Nicholls, et al., 1999), it is new to Vietnam companies.

This paper will focus on a case study – Dong Tien Company – the company has the biggest bakery chain and two high-end coffee shops in Da Nang City

in Vietnam. Dong Tien Company is about to implement the self-managed work team into its organization to manage its new brand – Bon Pas which currently has two high-end coffee shops. With a qualitative research method, the paper will examine if Dong Tien Company can incorporate an effective self-managed work team into its organization and spontaneously figure out what are the barriers prevent Dong Tien from a successful implementation.

## **1.2. Definitions of self-managed work team**

Self-managed work teams is a term that has many variations, for example self-regulating work groups, self-directed teams, self-managed teams, self-directed work teams, self-directing teams, SMWTs, semiautonomous work groups, self-managing teams, or autonomous work groups. These terms are used interchangeably by different authors in different backgrounds. However, in this paper, the term self-managed work team (SMWT) is used and considered the same meaning with the different variations.

In 1995, Rogers defined SMWTs as autonomous work teams, and the responsibilities and duties of the traditional managers have been transferred to the teams. In 1998, Yeatts and Hyten defined a SMWT as a group of employees responsible for performing and managing tasks of a specific service or product to a customer. In 1999, Nahavandi and Malekzadeh defined SMWT as a team of employees who manage their own work. In 2000, Wiesman defined SMWTs are complete and identifiable groups in that members have different roles and varied tasks to contribute to the end product, a service, or a decision. In 2001, Kirkman and Shapiro defined that SMWTs are teams that plan and schedule the work, make their own decisions, manage themselves and resolve their own problems. In 2002, SMWTs are teams that have responsibility for both executing tasks and monitoring the performance.

Despite its variations, most researchers and authors agree SMWT is an autonomous group (e.g. Goodman, Devadas, & Hughson, 1988; Wellins, Wilson, Katz, Laughlin, & Day, 1990; Rogers, Metlay, Kaplan, & Shapiro,

1995; Kirkman & Shapiro, 1997; Yeatts & Hyten, 1998; Nahavandi & Malekzadeh, 1999; Wiesman, 2000; Gibson & Tesone, 2001). SMWT has independence on decision-making; and researchers mostly focus SMWT on group rather than individual or organization (Goodman, Devadas, & Hughson, 1988; Wellins, Wilson, Katz, Laughlin, & Day, 1990; Rogers, Metlay, Kaplan, & Shapiro, 1995; Kirkman & Shapiro, 1997; Yeatts & Hyten, 1998; Nahavandi & Malekzadeh, 1999; Wiesman, 2000; Gibson & Tesone, 2001).

### **1.3. Research Problem**

As mentioned above, self-managed work team concept is proven in many companies and countries (Nicholls, et al., 1999). SMWT originates from Western countries which have the appropriate culture to support the process of SMWT (Nicholls, et al., 1999). However, in Vietnam, the culture is very different from that in Western countries. Therefore, there would be some barriers when implement SMWT into Vietnam organizations (Sexton, 1994). This research is going to solve the problem of cultural contrast on SMWT implementation.

### **1.4. Research Objectives**

To find the answer for the research questions, firstly this paper gathers all the main existing literature about SMWTs' theory, process, characteristics, and effective model. Based on that, the author of the paper develops an interview question list to ask the interviewees from Bon Pas. Then the author analyses and compares the collected information to the literature synthesis to conclude the likelihood of the successful transformation to an effective SMWT, and to figure out the hidden barriers that may prevent traditional teams in Vietnam from becoming effective SMWTs.

## **2. LITERATURE REVIEW**

### **2.1. Self-managed work team in general**

#### **2.1.1. History of self-managed work team**

The SMWT has the origin from the theory of social-technical in the 1960s (Herbst, 1962). The theory concerns the social systems and technical systems

of an organization, and concerns more about group characteristics than organizational or individual ones (Pasmore, et al., 1982). With the SMWT, the members feel more satisfied towards their jobs than the traditional work because of the meaningful work and responsibility for the project results (Buchanan, 1979).

The SMWT became popular in Europe in the 1970s, and is similar to the concept of participative management (Hackman & Oldham, 1980). Then the concept of SMWT, which has been proven by real examples, gained more popularity (Matza, 1990; Messmer, 1990). The SMWT techniques are continuously applied to companies in order to be more efficient, high control-quality, and effective (Yeatts & Hyten, 1998).

### **2.1.2. Purpose of SMWTs**

According to Phillips (2007), there are three main purposes of SMWTs. First, SMWTs are implemented to improve the quality of work environment. Second, the teams helps to boost the efficiency of the organization. Finally, the implementation of the teams with the focus on the wellbeing of employees will help to increase both employees' satisfaction and the organizational performance. However, there are stills some conflicts when managers try to create a good team morale while still keep the work done on time and the expenditure within budget (Sexton, 1994).

### **2.1.3. Basic characteristics of SMWTs**

Although using different names of SMWT, the researchers attempted to find the key characteristics of SMWT (table below). There are four main characteristics of SMWT.

Goodman et al. (1988)	<ul style="list-style-type: none"><li>- Interact mainly face-to-face</li><li>- Having a physically defined area</li><li>- Having interdependent tasks</li><li>- Be independent in controlling and executing tasks</li></ul>
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Hackman (2002)	<ul style="list-style-type: none"> <li>- Have clear boundaries</li> <li>- Have own team tasks</li> <li>- Maintain the membership over a period.</li> <li>- Clearly define authority to do tasks</li> </ul>
Kirkman & Shapiro (1997)	<ul style="list-style-type: none"> <li>- Have identifiable works.</li> <li>- Have control over individual member task assignments.</li> <li>- Receive group compensation and performance feedback.</li> <li>- Take charge of their own training, purchasing, quality control, absenteeism.</li> </ul>
Nahavandi & Malekzadeh (1999)	<ul style="list-style-type: none"> <li>- Be empowered to manage their work.</li> <li>- Have no outside supervisors.</li> <li>- Members have different backgrounds</li> <li>- Teams cooperate with others teams and members</li> <li>- Have the authority to make decisions.</li> <li>- The role of leaders is to facilitate the work.</li> </ul>
Wellins et al. (1990)	<ul style="list-style-type: none"> <li>- Teams are self-managed.</li> <li>- Members share the duties</li> <li>- Schedule team's work</li> <li>- Make own decisions</li> <li>- Resolve its own problems.</li> </ul>

Firstly, SMWTs have independent tasks. The SMWT is responsible for its whole project and tasks (Orsburn, Moran, Musselwhite, & Zenger, 1990; Kirkman & Shapiro, 1997).

Secondly, SMWTs are empowered to make its own decisions. SMWTs plan, organize, execute, and monitor its tasks and projects (Wellins et al., 1990). SMWTs have authority to do all of its relevant managerial functions.

Thirdly, members of SMWT have shared responsibility. All the members are responsible for the whole project and evaluate other team members regarding to performance (Yeatts & Hyten, 1998; Wall, Clegg, Jackson & Kemp, 1986).

Finally, the team members also have shared leadership. Team members take the leadership position when needed (Nahavandi & Malekzadeh, 1999). Leaders in SMWTs are not like managers who control the work process of team; instead, they work as facilitators who maintain and enhance the work condition (Hackman, 2002).

## 2.2. Theories of SMWT effectiveness

### 2.2.1. McGrath's model (1964)

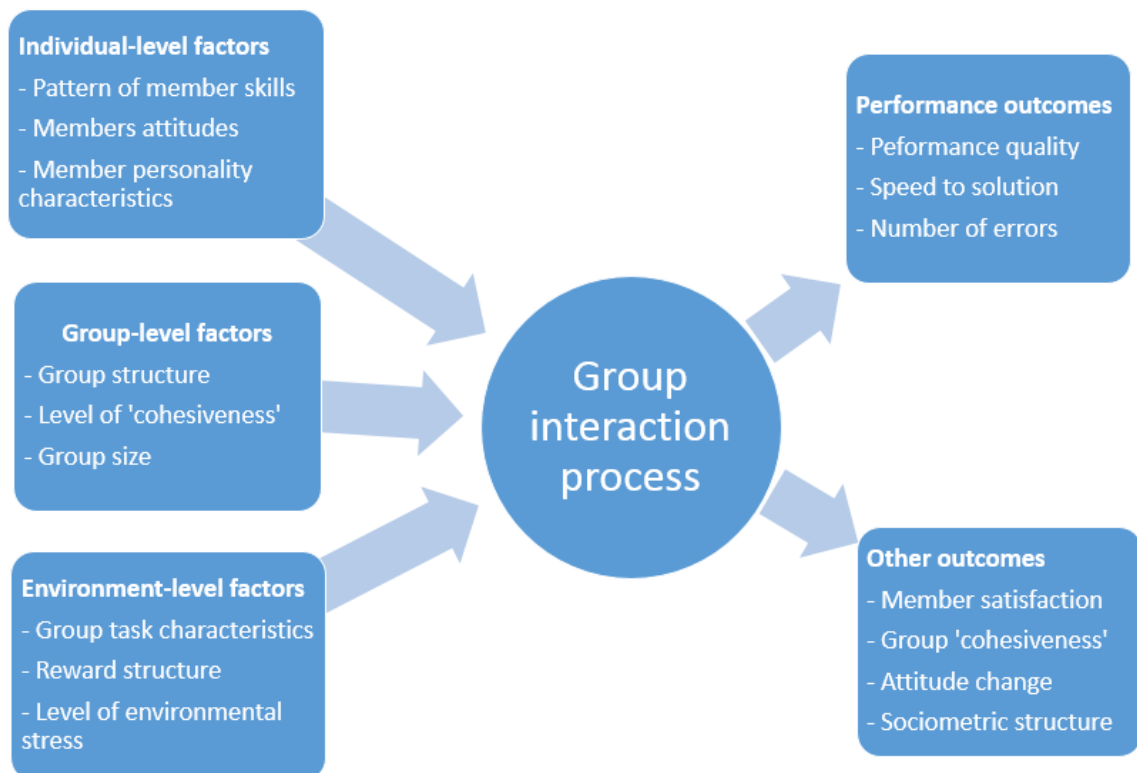


Figure 1 McGrath's Input-Process-Output (1964)

This is one of the earliest models on SMWT performance. He organized all significant factors, which he found from the previous researches, into input, process and output categories. This framework helps other researchers to systematize all the findings at that time.

### 2.2.2. The Pearce- Ravlin model (1987)

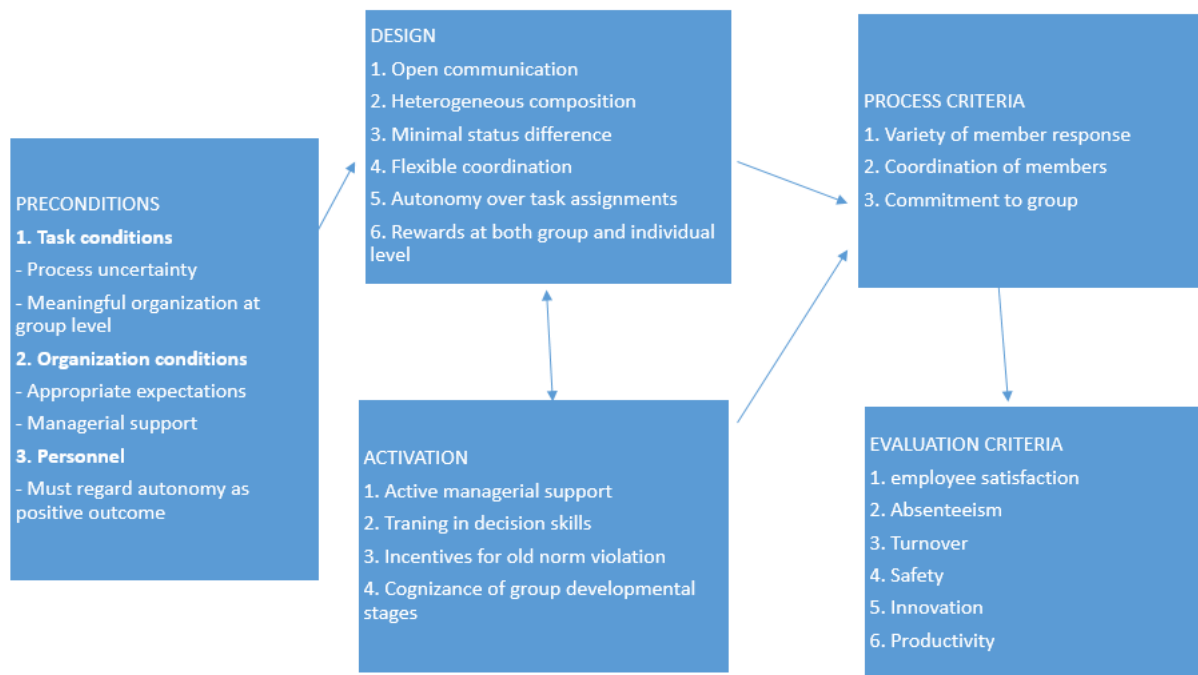


Figure 2 The Pearce-Ravlin Model of self-regulating work group performance (1987)

In 1987, Pearce and Ravlin introduced a new model to explain the performance of SMWT. The new factors they added into existing theoretical frameworks is the precondition factors which they believe critical to the success of a SMWT.

### 2.2.3. Hackman's model (1988, 1990)

Like most other researchers, in 1980, Hackman and Oldham also applied the input-process-output into his framework. However, in 1988 and 1990, there are some different points that make Hackman's model one of the most profound model at that time. Firstly, the effectiveness of the output is based on the perspective of the ones receive it. Secondly, the capability of team members who can work together in a long run significantly define the effectiveness of the team. Finally, the team should fulfil the needs of team members.

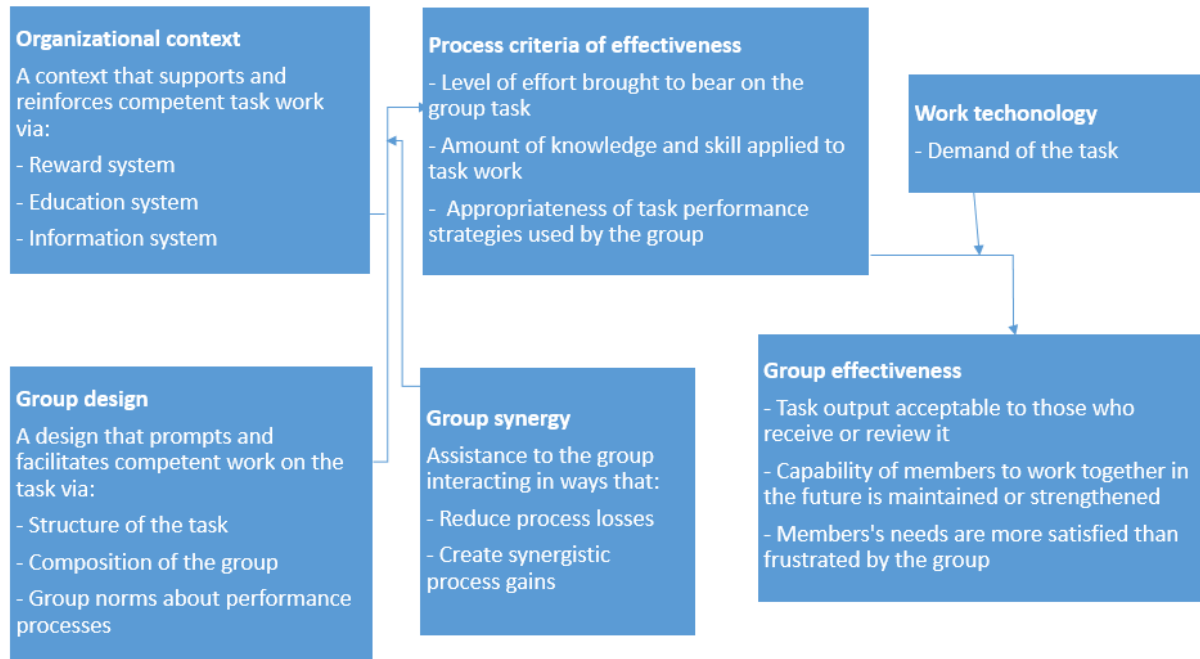


Figure 3 Hackman's model of SMWT effectiveness

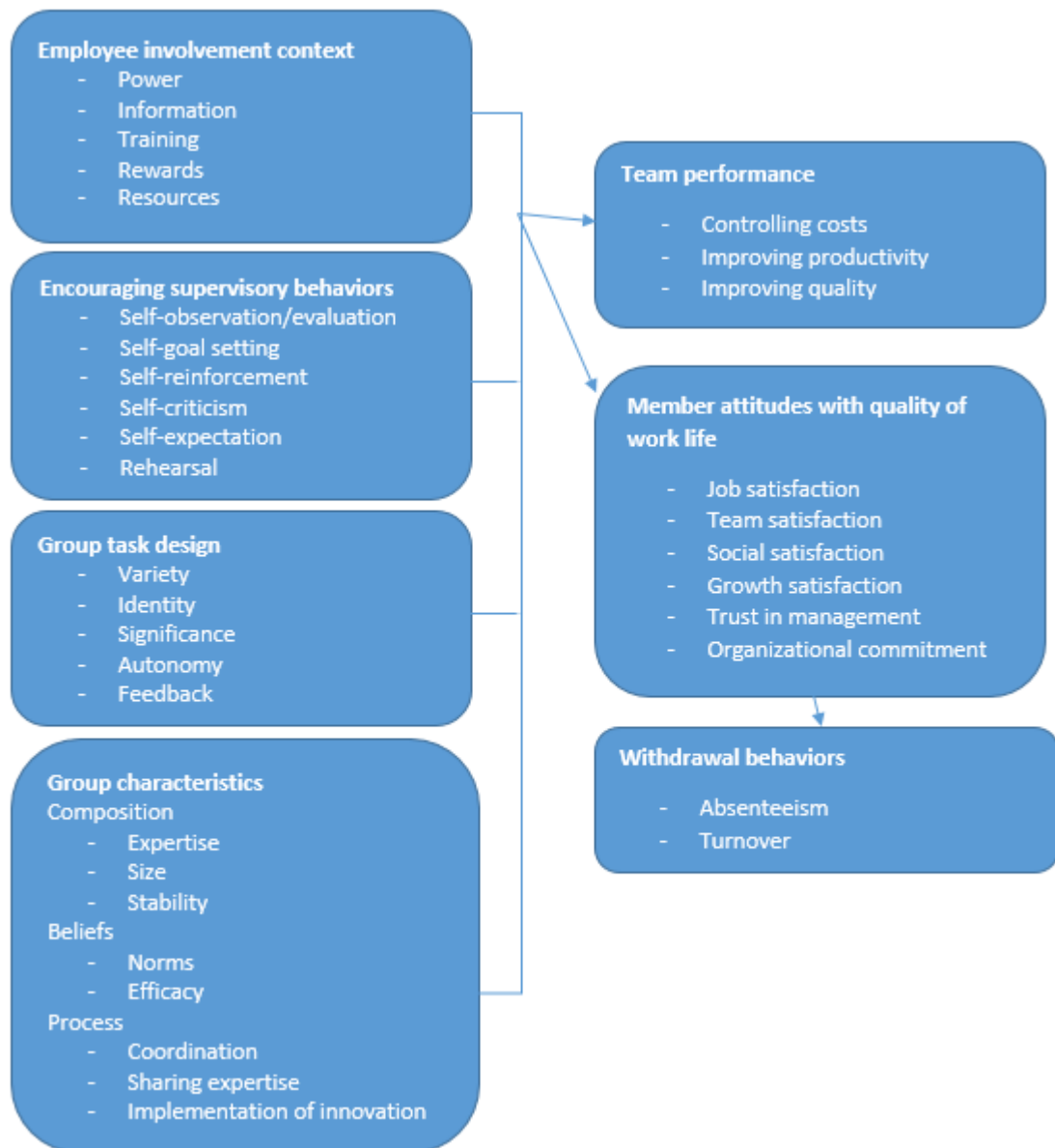
#### 2.2.4. Campion and colleagues' model (1993)



Figure 4 Campion and Colleague's Themes and Characteristics Related to Work Group Effectiveness (1993)

In 1993, Campion and his two colleagues, Medsker and Higgs, studied the connection between the team design and the team effectiveness. Then they came up with the model of five themes and nineteen team design characteristics which affect the team performance, team satisfaction and management judgments.

### 2.2.5. Cohen's model (1996)



*Figure 5 Cohen's full model of SMWT effectiveness*

In 1996, Cohen synthesize all the literature review about SMWT and came up with a predictive model of SMWT effectiveness (see figure 5). In the predictive model, there are 4 main predictors:

1. **Group task design**, including variety (Hackman & Oldham 1976; Hackman, 1987; Susman, 1976), identity (Hackman & Oldham, 1976; Hackman, 1987; Cummings, 1978), significance (Hackman & Oldham, 1976; Hackman, 1987, Cummings, 1978), autonomy (Hackman &

Oldham, 1976; Hackman 1987; Susman, 1976; Cummings, 1978) and feedback (Hackman & Oldham 1976; Hackman, 1987; Pasmore, 1988);

2. **Encouraging Supervisory Behaviors** (Manz & Sims, 1987), including encouraging self-evaluation/self-observation, self-criticism, self-reinforcement, self-expectation, self-goal setting, and rehearsal;
3. **Group Characteristics**, including innovation processes (Sundstrom, et al., 1990; Gladstein, 1984; Cummings, 1981), coordination and caring, self-efficacy/potency (Bandura, 1982; Cohen & Denison, 1990; Guzzo, et al, 1993; Larson & Lafasto, 1989), norms (Steers, 198; Jackson, 1965; Cohen, 1994), stability of membership , size adequacy (Steiner, 1972; Hackman, 1987), and expertise (Cummings, 1981; Hackman, 1986);
4. **Employee Involvement Context** (Lawler 1986, 1992), including resources, training, rewards/recognition, information, and power.

These predictors will lead to the outcomes of the SMWT effectiveness. There are four main outcomes in the predictive model: 1. Employee ratings of performance, including safety, costs, productivity and quality; 2. Managerial ratings performance, including overall performance, efficiency, and quality; 3. Quality of the work life, including trust, organizational commitment, group satisfaction and needs, and job satisfaction; 4. Withdrawal behaviour, including short-term absenteeism.

## **2.3. A synthesis of theoretical framework for SMWT effectiveness**

### **2.3.1. A synthesis of existing theories**

The synthesis of theories will eliminate or keep factors of previous literature review based on the frequency of factors used, the empirical evidence of the factors, and the theoretical rationalizations that help explain the factors.

Figure 6 presents the synthesis of the existing theories on SMWT. There are four main categories of factors. The first is team performance which are measured based on satisfying customers, the way team work together and

satisfying employees (Cohen, 1994; Campion et al 1993; Tannenbaum & Salas, 1992; Hackman, 1980; McGrath, 1964; Gladstein, 1984)

The second category is about interpersonal processes which play a very important role as a transportation to transform the input to the output. This category include the interactions within and outside the team (Cohen, 1994; Campion et al 1993; Tannenbaum & Salas, 1992; Hackman, 1980)

The third category is about the environment. According to Sexton (1994), an ideal SMWT can self-regulate their own tasks including job rotation and job design, can self-evaluate to make productivity and quality decisions, and can self-adjust to contingencies, for instance client interface. However, this kind of autonomy defined by Sexton is significantly influenced by the company culture and the management style (Cohen, 1994; Campion et al 1993; Tannenbaum & Salas, 1992; Hackman, 1980; McGrath, 1964)

The final category is about the characteristics of team design. Team design including the size and composition, the norms and beliefs, and the job design has significant impact on the team performance (Cohen, 1994; Campion et al 1993; Tannenbaum & Salas, 1992; Hackman, 1980; McGrath, 1964)



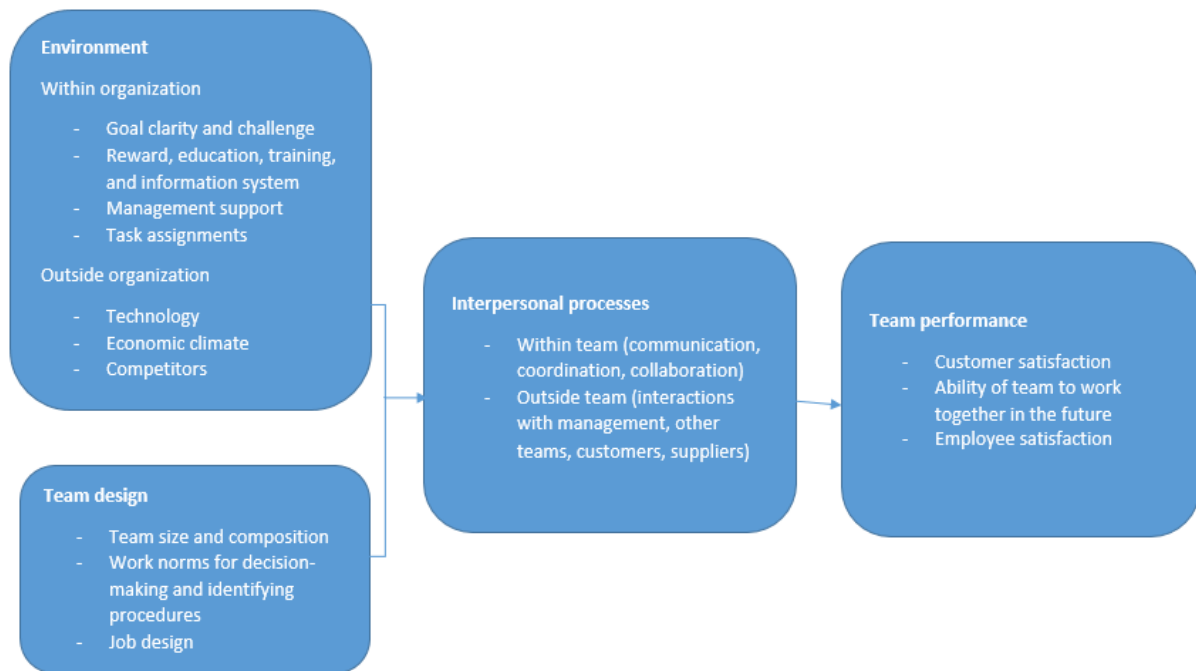
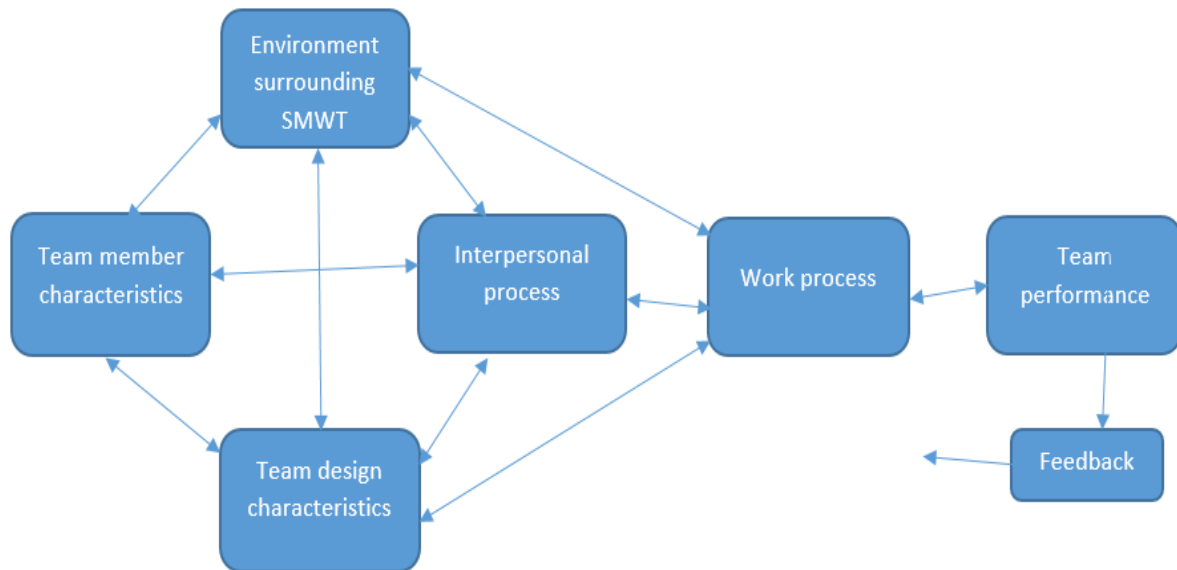


Figure 6 A synthesis of theoretical models explaining work team performance (Yeatts & Hyten, 1998)

### 2.3.2. A model to predict SMWT effectiveness

Figure 7 presents the synthesis framework which helps explaining the SMWT effectiveness. To arrive at this synthesis of the factor framework that explain SMWT effectiveness, the paper has reviewed all the existing theories and research of SMWT effectiveness or performance. Then the framework is developed on three criteria. The first criterion is how frequent each factor is used in the previous models. The second one is how many empirical evidence that support the factor inclusion. The final one is the theoretical rationalizations that explain the factor inclusion. After choosing the factors that appear in the synthesis model, below are the explanations of how each factors relates to each other and affects the team performance.



*Figure 7 Factors affecting SMWT performance – a synthesis*

### 2.3.2.1. The work process

The work process of SMWT is how the team gets its work done. This process includes the effort that team members spend on their work, the way team use talents and resources, and the procedures of doing their work. The work process influences directly on the team performance (Yeatts & Hyten, 1998).

Employees should put directly all of their energy on the work to in order to make the work become successful (Katerberg & Blau, 1983). However, there are some factors that impede the team from contributing energy to the work. They are the environmental factor, member characteristic, team design, and interpersonal process (Hackman & Oldham, 1976; Yeatts & Hyten, 1998). In order to motivate the employees to put efforts into work, the leaders should understand what motivates employees and fulfil those needs. Those needs may be physiological need, security need, social need, esteem need or self-actualization need (Maslow, 1954, 1970). The need may be how company respond to the employees' expectancy (Vroom, 1964, 1995). There are many perspectives and frameworks that explain the motivations. All of them have one thing in common that a

leader should fulfil employees' need so that they can commit themselves to work

In addition to effort, a team also needs talents, resources and procedures to do the work. A good team need to have sufficient ability, knowledge and skills to operate (Hackman, 1975). The team should know how to put their effort enough to meet their ability in order to perform the work well (Varela, 1971). About the resources, a high performing team is more likely to use the most appropriate resources. However, in order to use that, the team has to understand the environmental factors to properly wield the resources. These factors include technology, information system, education or training, and management support (Yeatts & Hyten, 1998). Finally about the procedures, it significantly affects the team performance (e.g. Maier, 1963; Davis 1973). The most critical factors to have a good procedures are methods and tools (Yeatts & Hyten, 1998). If the team is methodical in choosing and assessing procedures, they are more likely to have a good one. The high performing team with good procedures will have the right tools to facilitate. The tools may be flowcharting or mapping in order to explain how the work is done and how the next task should be done.

#### **2.3.2.2. The interpersonal process**

##### **2.3.2.2.1. *Communication and coordination***

Communication has a significant impact on the team performance and effectiveness (Holt, 1990). There are some factors that affects the effective communication. Firstly, the work process mentioned above has direct impact on communication. For example, a team member with arrogance, infrequent and insulting communication will directly demotivate other team members. The communication should be open. Whenever there is new information, all the team member should know it immediately. There should not be scolding when making communication errors. Secondly, the environmental factors include

trusting culture, available resources like communication instruments, information systems, and training. These factors also have huge impacts on communication (Ancona & Caldwell, 1992). Thirdly, the team design also affects the communication. Team design includes team norms, size, composition and the leader (Neuhaus, 1990). Finally, the team member characteristics which include personality, knowledge and skills, and interests influence the way team communicates.

Besides communication, coordination also plays an important role in the effectiveness of the team. Coordination is the act of doing at least two steps of a process in a proper order. A good coordination among members will help to carry the plan well; otherwise, a bad one will negatively affect the team effort and the procedures (Hackman, 1988, 1990). Coordination also affect the work environment. For example, a good coordination will give team a chance to have more free time to participate in a training. There are some factors that affect the coordination of the team. The most salient ones are the team norm and size. Too big in size makes it hard for team members to work together.

#### **2.3.2.2.2. *Cooperation and conflict***

A high performing SMWT knows how to cooperate and resolve conflict among team members. The work process is one of the factors that have direct impact on cooperation and conflict. Conflicts can lead to so much time spent on disagreements among team members that end up lowering the amount of time spent on work (Ephross & Vassil, 1988). In contrast, cooperation can help team members to reduce the time spending on work, and increase the effort on the work tasks. In addition, cooperation boosts the team motivation. On overall, conflicts bring negative impacts while cooperation bring positive impacts. However, sometimes, their effects sometimes reverse.

The environment in a team also influence cooperation and conflict. The reward system affects so much on team performance. If team members

do not get what they deserve or the rewards are not equally distributed, the members are less likely to cooperate and create more personal conflicts. In addition to reward system, the culture, training and coaching in company also equip team members with skills and ability to cooperate well and resolve conflicts.

In addition, team design affects the cooperation and conflict in some ways. Firstly, the team size may heighten conflict and cooperation. The larger size, the harder the team cooperate and resolve conflicts. Secondly, team norms are critical in cooperation and conflicts. For example, if team members believe that if their colleagues succeed, the team will succeed and they will succeed too, the team members will try to cooperate, try to listen, exchange ideas to reduce conflicts. Finally, the team composition can influence cooperation by the way that the appropriate combination skills and knowledge will enhance the cooperation in teams.

#### **2.3.2.2.3. Cohesion and trust**

A team with strong cohesion expresses that team members feel connected with each other and want to stay in for long time (Holt, 1990). The cohesion are affected by many factors. Firstly, the work process affects team cohesion via common goals or number of talents in team. The common goals give people a sense of going the same way so people feel more cohesive. Also, the more talents in the team, the more people feel likely to stay in to learn from those people. Second is the team design. The smaller the team size, the more cohesive the team become. The team norms contribute so much to the cohesion in the way that if team members stick to team norms, they will adjust their behaviours to match the norms of the group to increase the cohesion. Thirdly, the environmental factors like culture also affect cohesion. The culture, which encourage teamwork and cooperation, will foster the cohesion in team. Also, the physical location of the team can increase the cohesion. The final factor is the team member characteristics. A

highly cohesive team will have many things in common like interest, values or goals.

Cohesion is very critical for the effectiveness of SMWT because it leads to the trust among members. With trust, people will openly discuss ideas and problems without hesitation. With trust, people will cooperate well when they believe the others will finish the work well. A trusting environment absolutely increase the productivity at workplace (Deutsch, 1962).

#### **2.3.2.2.4.     *The effect of emotional intelligence on SMWT***

A good team is effective when people can get along well and work with each other in the team. This phenomenon, which Goleman (1995,1998) explained in his first book that managers felt but not could not figure out, has been studied in the past two decades, and many researchers have shown that there is a positive relationship between positives emotions and organizational profitability and effectiveness. Emotional intelligence is quite important in team work because most of the tasks in an organization are executed by groups (Lassiter, 2004). Therefore, understanding emotional intelligence and knowing how to apply it to the team context can significantly boost the effectiveness of the team.

There are many researchers have study the system and process optimization that can contribute to successful teams. This argument means that the team should integrate both principles of effective work processes and team cohesion to be successful as a team (Phillips, 2007).

A company can avoid competition or do better than other companies at some segments by using effectively teamwork. Teamwork is absolutely better than individuals because the team has more diversity of talent, resources, and flexibility (Phillips, 2007). Researchers have shown that teamwork has the superiority over group decision-making which even

the talented member in the team cannot have; however, the team members have to work effectively.

One of the critical factors that distinguish best teams from mediocre teams are emotional intelligence of the team (Goleman, 1998). The emotional intelligence of the team is a sum of the emotional intelligence of all team members and the team competency. All the team members need to contribute to building the emotional intelligence of the team and the team competency. (Lassiter, 2004).

To build the emotional intelligence of an effective team, there are three conditions need to emphasize that are trust among members, a sense of group identity and a sense of group efficacy (Druskat & Wolff, 2001). Basically, “trust among members” means that teams need to behave and create habits that consolidate the identity and trust in a team. “A sense of group identity” means all members feel connected and together work towards same goals. “A sense of group efficacy” means that the whole team is cohesive and can work like a team rather than a group of people (Druskat & Wolff, 2001).

Understanding feelings and expressing them correctly to other members in an open and honest way without hesitation is the first step to contribute to the emotional intelligence of the team. Then discussing often the positive effects on addressing and expressing the feelings to the team success will form a strong foundation of a team.

The next step is to build relationship of the team members. Strong relationships among team members will prove its value in hard challenges and crises. To build strong relationships, all team members have to feel safe to explore and express, then finally they will rely on emotions. In this foundation steps, the role of leaders are extremely important. They have to commit themselves to the create a suitable environment to maintain both harmony and productivity of the team. Also, they have to be cognizant of all team members' emotion and

energy. According to Phillips (2007), one “improvement” on the work climate improvement will lead to two “improvement” in revenue. In order to become effective, the team leaders need to spot bad habits for corrections, understand the team and work in the same beat with the team members (Lassiter, 2004).

#### **2.3.2.2.5. Four main dimensions of emotional competency**

The team emotional intelligence is basically the same to the individual emotional intelligence, including self awareness, self-management, social-awareness and relationship management. However, as these competencies are extensively studied, the effect they have on teams is different from they have on individuals. The teams have different people with different backgrounds and characters, so the way members within teams interact define so much the success of the teams. Therefore, an important role of leaders should be emphasize and together with teams build these competencies.

Hay Group (2003) suggested that team members should rate the teams on a 1-10 scale on each competency of the table of emotional competency in organization by Goleman (1998). Then they will rate for the optimal score which they expect the team should be to more effective. After that, the team members will rate themselves and choose one or two behaviors they commit themselves to improving. Finally, making a public commitment and receiving regular feedback are the ways a team should do to raise its emotional intelligence.

<b>Self-awareness</b>	<b>Social-awareness</b>
<ul style="list-style-type: none"><li>- Self-confidence</li><li>- Accurate self-assessment</li><li>- Emotional self-awareness</li></ul>	<ul style="list-style-type: none"><li>- Organizational awareness</li><li>- Empathy</li><li>- Service orientation</li></ul>



Self-management	Relationship management
<ul style="list-style-type: none"> <li>- Transparency</li> <li>- Self-control</li> <li>- Achievement</li> <li>- Adaptability</li> <li>- Initiative</li> <li>- Optimism</li> </ul>	<ul style="list-style-type: none"> <li>- Inspiration</li> <li>- Conflict management</li> <li>- Influence</li> <li>- Teamwork and collaboration</li> <li>- Developing others</li> <li>- Change catalyst</li> </ul>

Table 1 Emotional Intelligence in Organization by Goleman (1998)

### 2.3.2.3. The environment around the SMWT

#### 2.3.2.3.1. The overall environment

As an effective SMWT, firstly the team should have the philosophy, values and mission to guide them. Clear mission, philosophy and high standards are the foundation for the team to well operate. Secondly, the team should have a system of appraisal and assessment. The system will assess the development of SMWT. This help the leader know when to share more responsibility, design the task, and plan for the suitable training. In addition to the team assessment, the team leader should also appraise the team member performance as well as encourage the peer appraisals. The appraisal give team members where they are in the overall pictures. This also helps to motivate them to work better.

In order to motivate employees to work better, the team should have an appropriate reward system. There are several types of rewards, including recognition, tangible rewards, or monetary rewards. In addition, the rewards can be in form of individual or team reward, behavior-based or results-based. Depending on the team characteristics, the nature of work and environmental factors, a team should design an appropriate reward system because it has a direct impact on team performance (Yeatts & Hyten, 1998).

In addition, the training system also affect the effectiveness of SMWT. Team should have regular training or education on technical skills, interpersonal skills, management skills, and decision-making/problem-solving skills. The training will contribute to the development of team, resulting in high productivity.

Lassiter (2004) suggests teams should use a trained coach during the transition to a better team. Comprehensive training is critical in building an effective SMWT. The training should consist of interpersonal skills and critical thinking skills. The interpersonal skills will help team members to improve the emotional intelligence as well as effective interactions among team members. In addition, critical thinking skills will help team members to solve conflicts, negotiate, make decisions, and help the team on business strategy.

There is one strategy that 3M corporation applies to most of its business is a program called “train the trainers”. This program means that professionals train the people who will go back to train their team members and give them skills and knowledge to manage the task process. The strategy whose aims to build the effectiveness in the team includes:

1. *Customer focus*: all the team members have to work towards a same goal – someone else out there will use their output – by focusing on customer and satisfying customers. This is the highest priority to make sure that the team’s actions reflect it.
2. *Vision and mission alignment*: setting goals, building strategy and executing plans in line with common vision and mission.
3. *Team cohesion*: understand and build trust in the team, together with building skills that team members can make decision, design tasks and plan, manage diversity, and execute as a team.
4. *Team empowerment*: team need to be empowered to make their own decisions, so that rather than waiting for a delegation, they can initiate a change.

5. *Continuous improvement*: set challenging goals and solve problems to constantly improve and continuously looking for optimizing the system and making necessary change (Williams, 1995).

Finally, the management support and encouragement are critical to the SMWT performance. These factors will help the team survive in the difficulties, especially when the team is in the nascent phase.

#### **2.3.2.3.2.     *Culture and its effect on SMWT performance***

In addition to the above factors, culture is very important factor which influence the way team member work together. Culture is a collection of norms, beliefs, language or other things that distinguish one group of people from others. Usually, people will learn culture subconsciously very early in their life, so that they do not realize the effects of culture on their behaviors. Many researchers show that culture has distinct patterns which influence certain groups to behave in certain ways (2). Furthermore, many cross-cultural researchers have summed up that the difference in culture has huge impact on the management of different countries. This impact includes wealth of nations, punishment and reward system, leadership style, motivation, communication, organizational design characteristics, and stakeholders' expectations (4).

The huge impact of cultural difference on management activities has made companies from different backgrounds to consider integrating SMWT. In Vietnam, international companies and SMEs in Vietnam are exploring the effectiveness of SMWT and its positive effects on organizational performance and team performance. However, it is not easy to implement such the team into organization because of cultural difference. SMWT technique originates from Western countries, which employs the Western culture to support its process. Therefore, integrate this technique to Vietnamese context is not as easy as people think.

#### **2.3.2.3.3.     *Vietnam culture from Hofstede perspective***

According Hofstede model (itim International, 2017), Vietnam has the scores of 70 on power distance, 20 on individualism, 40 on masculinity, 30 on uncertainty avoidance, 57 on long-term orientation, and 35 on indulgence

In terms of power distance, the Vietnamese seems to accept the hierachy in the company. People will listen to the order from their superiors, and do their jobs without challenging their leaders. The subordinates ask for what to do from their boss, and a good boss is a benevolent one. There will be no change in the organizational orders.

In terms of individualism, Vietnam is very collective. Vietnamese people focus on relationships. Strong relationships are fostered by family members to become extended family. Loyalty is emphasized in company. If there are some mistakes, there is no specific team members to take accountability, but the whole team.

In terms of masculinity, since Vietnam has a low score on masculinity, it means that the Vietnamese care more about the quality of work and life, and care more about relationships rather than competition, achievement or success. The Vietnamese will solve conflicts by negotiation and compromise. They favor incentives like flexibility or free time.

In terms of long term of orientation, Vietnam has a score higher than 50 which means it is a pragmatic country. People in this society show adaptability to fast-changing conditions.

Finally, about the indulgence, since Vietnam has low score on this dimension, it is considered a restrained society which has a tendency to pessimism and cynicism. In this society, people control the gratification of desires and do not emphasize the role of leisure time. These people

feel indulging themselves is wrong, and their actions are restrained by social norms.

#### **2.3.2.3.4.     *Cultural contrast***

According to Nicholls, Lane and Brechu (1999), the countries with high score on power distance and low score on individualism like Vietnam or Mexico have three main differences in comparisons to those have low score on power distance and high score on individualism.

#### **Self-to-others relationships**

The orientation of the society to individualism or collectivism has a high impact on the way people responding to the organizational requirements. In a collectivism-oriented society, people tend to rely on a group to take care of themselves, and they will give their loyalty in exchange. These people will show a more “personal” bond to their organization. In contrast, in an individualism-oriented society, people prefer a loose-knit organization which gives them freedom to take care of themselves and their tasks. These people tend to show a calculative involvement.

#### **Power value**

The power distance explains the leadership style in an organization. In the society emphasizing individualism, individuals have more freedom to discuss openly with their bosses. In this context, bosses do not have so much power more than the employees. In making decisions, employees play important roles, and bosses cannot decide without clear explanation. In contrast, bosses in the society, which emphasizes collectivism, have ultimate power. They can make decisions without any good reasons and employees’ influence. However, employees expect their superiors to guide them and show them what to do, while individualism-oriented employees will take care of their own work.

#### **Meaning of risk**

The meaning of risk is uncertainty avoidance from Hofstede's perspective. People in the society of high score on uncertainty avoidance are afraid of ambiguity and uncertainty. They try to avoid these challenges by establishing rules and codes of belief and behaviors. People are expected to follow these rules, and are not tolerant for the unorthodox ideas and behaviors.

#### **2.3.2.4. The characteristics of team**

##### ***2.3.2.4.1. The characteristics of team members***

Team members should have sufficient and right knowledge, skill, and ability to make a SMWT successful. High performing teams have members who understand clearly the team's work so that they can have influence on the team decisions. Also, the team members should be knowledgeable about their expertise domains to get the job done well. In addition, team members should have strong technical skills, but more than that a variety of skills is important to work in a SMWT. This helps the team become more flexible, and allows team members to substitute each other when necessary.

Besides talents, team members should share some core common values or interest. The same values make the team easier to cooperate and understand each other. However, sometimes, same values and groupthink may lower the team creativity. In addition, the personality is crucial to the team performance. For example, team members should be open in a SMWT because this can help the team discuss problem and understand issues easily.

##### ***2.3.2.4.2. The characteristics of team design***

###### **Team goal and job design**

SMWT should have clear, challenging and measureable goals to achieve, but in a given amount of time. Clear goals can help the team members to envisage the path to the target easily. Challenging goals,

on one side, require more effort and creativity from members, but on the other side give the team inspiration to embark on new challenges. Measurable goals give the team an overall picture of where the team is. Measures will let the team know what to improve in order to achieve the ultimate goal. Obviously, the team goal influences the team performance. However, to avoid the negative effects on the team. In addition, job design which includes the variety of work, autonomy, responsibility, and the capability to finish the work as a whole significantly impacts the effectiveness of SMWT.

### **Team size and composition**

As mentioned earlier, team size and composition are important in the team performance. The size of a SMWT often from three to ten people. Most effective teams consist of five or six people so that they can operate easily with enough ability and skills. Also, the team composition of personal characteristics and role-related characteristics has the impact on the team performance. A right mix of personality and roles will give SMWT an advantage to work together and maintain the stability of team membership over a long time.

### **Decision-making methods and processes**

The way team defines its decision-making method is critical to team effectiveness. There are several methods that a team can pick to make a decision. Firstly, the rational choice method. This is one of the most productive ways to make a decision (Weldon, 1993). According to Neuhaus (1990), this method is based on a process consisting of at least five steps: identifying problem, generate alternative courses of action, weighing consequences of each alternative, deciding, and executing.

Secondly, the team may use the unstructured and emergent method. This method is helpful when team members need to make quick decisions to take advantage of the immediate opportunities. However,

the quickness of the method allows less effectiveness in decisions appear.

Thirdly, a team may adopt an incremental method which is a better solution than the existing one. The method allows the team can immediately apply to their process with few errors. However, team cannot expect a significant change in results when the method is not so optimal in comparison to already established ones. Based on the nature of the work and the environment of SMWT, the team should pick one that suits it.

### **Leadership in SMWT**

The leadership in SMWT is different from the traditional teams. Leaders in SMWT are expected to be facilitators, motivators or consultants rather than supervisors or traditional bosses. An appointed leader should create an open and democratic environment for people to discuss and share opinions. The leader should seek consensus among team members. Also, the leader need to empower the team members to let them make their own decisions. In order to do that, the appointed leader should understand the team's work and other members' work to influence. In this situation, management and interpersonal skills are required.

However, due to the highly demanding role of leadership in SMWT, the team should rotate team leadership. Different projects require different set of skills and vision in order to succeed. Therefore, the most right one should be appointed as team leader. This can help other team members to develop leadership and other technical skills. The previous team leaders also can have a more relaxing time as a member, avoiding stress and refreshing themselves.



### **2.3.3. Challenges to become a successful SMWT**

In the way transforming to SMWT, there are many challenges that impede traditional teams and their overall performance. According to Appelbaum and Batt (1994), the most daunting challenge is to change the traditional work environment to the high-involvement environment which support the SMWT. The transition from the old to the new environment takes times. The team needs to undergo several stages, normally from two to five years for forming the new habits and behaviors, and never ending for learning and self-renewing (Williams, 1995).

There are some people argue that although SMWTs are good to explore the organizational problems, they are the most difficult team to lead. More than that, below are several challenges for SMWT:

- Complexity of members' authority
- Confusion about the role of leaders
- Ambiguity about common goals
- Difficulty in key-stakeholder communication
- Shortage of recognition and rewards
- Conflicts among people with different backgrounds and logic
- Lack of support from higher management
- Hard-to-managed sizes of team

Although there are many challenges due to its novelty, SMWT can be successful if the higher management understand the process of forming a successful one. Normally, one in the higher management team just pick the best ones they think will make the team work and put all together in one team and let them work together. However, many times this way leads to failure. Many researchers have recommended that the higher management should be flexible enough in choosing people. They should just choose some core people, and let the people to choose the rest of the group. Then give the group enough time to form a cohesive team. The team needs time to develop commitment to a purpose, together set common goals, do timing and plan how to execute. The successful teams invest a tremendous time and effort in

exploring, forming and agreeing to a common purpose that both belongs to them collectively and individually. In addition, the team needs to refresh themselves with new purpose over a period of time, especially after one big project. In contrast, the failed teams are ones which cannot find the glue to stick all team members to work the common purpose. Also, lack of focus on high performance, lack of good leadership or lack of effort to build the environment cannot lead to the feasibility of a successful SMWT (Hoerr, 1989).

The most successful SMWTs clearly define their performance goals and articulate their outputs. These goals or outputs could be reducing the waste from 30% down to 10% in one year, or increasing the revenue of brand X by 10 percent. Without clear common goals, teams cannot perform at an extraordinary level. In contrast, with clearly-stated goals and purpose, teams can commit themselves into execution, and the goals and purpose become the catalyst for the outstanding outcomes (Manz & Sims, 1987).

In order to form a purpose meaningful to other team members, the team should use SMART techniques when set out goals. SMART goals means Specific, Measureable, Attainable, Realistic, and Timely. This technique gives people a framework of how to choose a goal. First, the goal should be specific. For example, in stead of saying “reducing waste”, the team should have a goal of “reducing waste by 30%”. Second, the goal should be measureable by exploring how to use metrics in order to know how much the team gets closer to goals. Also, the goals should be attainable and realistic by consulting other similar goals. Finally, the team should have a deadline for the goal. In short, SMART goals and common purpose are critical to performance.

## **2.4. Summary**

The literature review of this paper summarize the general points of SMWT, including history, definitions, purpose and some basic characteristics. This summary gives an overview of SMWT. Then come the remarkable theories on SMWT performance and effectiveness of some researchers. The theories are

shown mainly in form of charts. Based on the previous theories and other researchers' study, the paper synthesize and organize into a model of five main factors that significantly affect the effectiveness of SMWT: the work process, the interpersonal process, the environment around SMWT, the characteristics of team and team members. The synthesis shows the general way a SMWT should to become effective. In addition, the literature review also emphasizes the role of culture that team should pay attention to. The culture of a nation and organizations really affects the team performance but there just few research on the culture of eastern countries that affect SWMT effectiveness.

This model is considered the most compatible for this case study in Vietnam because besides the issues or factors within teams, it focuses on the cultural issues and environment surrounding the team, while the other models mainly focus on the team characteristics or process. The SMWT concept has origin from Western country which has different culture from Vietnam. Therefore, a model with an emphasis on the environmental factors will help to explain the concept in the Vietnam context.

In short, the model will give managers a profound view of a SMWT in the Vietnam context. The managers will know if their SMWTs are high-performing and effective when applying this framework. In addition, the managers will figure out what are the technical and environmental barriers that prevent their teams from effectiveness. The profound explanation of the SMWT performance will help the managers make a decision whether to integrate a SMWT into the company.

### **3. HYPOTHESIS, MODEL AND METHODOLOGY**

**Hypothesis:** The Vietnamese SMEs implementing self-managed work team into their organizations will face the environmental problems that prevent its team from effectiveness.

**Research question 1:** to what extent can a Vietnamese SME implement an effective self-managed work team into its organization?

**Research question 2:** what are the barriers that prevent a Vietnamese SME from implementing an effective self-managed work team into its organization?

Based on the previous research and theories, this paper summarizes and organizes them into a model (see figure 7) to predict the effectiveness of SMWT. The model is considered appropriate for this case study because besides the factors of performance of SMWT, it also focuses on the environment which affects the performance of SMWT in Vietnam.

This paper focuses on a case study – a qualitative research – at a bakery chain in Vietnam, Dong Tien Company ([www.dongtienbakery.com.vn](http://www.dongtienbakery.com.vn)). The reason to choose Dong Tien because it highly represents a majority of Vietnamese SMEs. Firstly, this company is a family company which four out of six family members hold the highest positions in the company. Family companies occupies a very large portion of company types in Vietnam, playing a very important part. Secondly, this company is an SME. Although it is considered the biggest company, with 30 retail locations, in daily food industry in Da Nang city, it is not a big company with high level of management and advanced technology. Thirdly, this company is facing a very tough competition, even just in Da Nang – the third largest city in Vietnam. According to Vietnam Trade Department (2012), the market for food consumption in Vietnam in 2016 would be \$29.50 billion dollars. In just Da Nang, there are more than 14.600 registered food locations (Foody, 2017) in addition to thousands of unregistered food locations, serving around one million residents. There are more and more foreign high quality food locations opening in Da nang with affordable price, pouring the market with more competition.

Dong Tien launched a high-end coffee shop brand – Bon Pas. The company is currently run by a team of five people. However, this is still a traditional team which has to ask the superior positions for making decisions. However, to respond to such a competition, the highest management team plans to transform the Bon Pas team to a SMWT. If this team prospers, Dong Tien will implement this concept to its traditional business which sell daily food products to low-end customers.

Working as a traditional team, the Bon Pas team is performing well as the leaders think. However, there are more unhidden problems which may prevent team from high performance due different cultures and norms when transforming to self-managed team. Therefore, this paper will predict the success of the formation of the team and the barriers that team might face. Based on the findings, other Vietnamese SME executives may figure out better ways to implement SMWT into their business to improve the performance and respond to competition.

This paper will use the in-depth interviews with all five members of the Bon Pas team at Dong Tien Company. The first person is Carol Nguyen. She is the Vice CEO of Dong Tien Company, mainly responsible for Bon Pas. The second person is Te Nguyen. He is the leader of Bon Pas team. The third person is Trinh Nguyen. She is responsible for business and community development. The fourth person is Quang Ho. He is responsible for marketing. The final one is Hanh Truong. She is the visual designer.

The question list used for the interviews consists of open-ended questions generated based on the synthesis model of SMWT effectiveness in the literature review. Then all the collected data is used to analysed and compared to the model to predict if the traditional team is ready to transform to the SMWT. Also, from the data, the paper will list out some main barriers and challenges that represent for many SMEs in Vietnam.

#### **4. ANALYSIS AND DISCUSSION**

Based on **Maslow model** (1954, 1970), all team members fulfill the physiological need. However, except Carol and Te who are currently the leader of the team are having a good salary, the others people feel the salary is not enough for their living and their efforts. Trinh and Quang want to find a new job to have a higher salary. About the social needs and esteem needs, they feel the team as a small family and they really feel happy to work with each other. However, except the two leaders, the other three members think they do not receive a compatible recognition from their leaders and the company. One of the example they showed was that Te had not promoted them as “The Best Performer of The Year”. They

said maybe they could not receive the award, but at least the leader Te should recognize their effort during the year by promoting them.

From the expectancy theory of Vroom (1964, 1995), the performance of the team members are reduced greatly when their expectations are not met. These expectations include the recognition, personal growth, and reward. For example, Trinh admitted that she really worked carelessly in the beginning of 2017 because the leader had not promoted her as “The Best Performance of the Year”. The leader Carol also realized the low morale of her employees in the beginning of the year.

In short, although the employees felt motivated in the beginning of their job at Bon Pas with many prospects from the young leader, the morale are lowering throughout the year. Therefore, “the commitment to the work is now just 20-30%” – Trinh said.

The leader Carol has the bachelor degree in Business Administration from University of Buffalo, New York. She also has experience working in Rich’s – a food company in Buffalo, New York, and experience working in her family’s company in several years. The leader Te has experience working in Toyota as the head of an office for many year. The team member Hanh with the educational background in graphic design has worked for three companies in the past. The team member Quang has experience working in a creative agency in Ho Chi Minh. Finally, the team member Trinh graduated from FPT University in Vietnam with the highest position, and has experience working in one of the biggest telecommunication companies in Vietnam. All team members have **talents** and **ability** to produce a high performance work.

About resources, Dong Tien is the biggest company in food retail industry in Da Nang city; they have enough financial capital to support Bon Pas brand. In addition, Bon Pas is receiving support from other departments like Legal Department, HR department or Finance Department. Therefore, the Bon Pas team has enough **resources** to operate.

The **communication** has a significant effect on the team performance. In Dong Tien Company, there are several departments, and team Bon Pas has separate room, which includes four people Trinh, Quang, Hanh and Te – the leader of the team of four. Carol is the leader of the team Bon Pas, but sitting in another room – the executive room. Most of the daily direct communication the team has is just among the four people. They are the ones who come up with new ideas and plans. Te is the one who is supposed to supervise all of the plans and ideas, and then he sends all of them to Carol to let her decide. Whenever Carol has any communication, she sends it to Te, and Te informs other members in the team. In this situation, there are some problems regarding to communication if they transform to the self-managed work team concept. First, in the self-managed work team, people will discuss openly and immediately to respond fast to the outside change. This point creates such an advantage for the self-managed work team in comparison to other teams. Therefore, if the executive expect an effective SMWT, at first Carol should sit in the same room with other team members to have better conversations and improve the cohesion. In the interview, Carol also wants to sit with the team in the future to have understand the team's work better. Secondly, the team mainly uses e-mail as the official communication channel. However, e-mail is a passive communication instrument that people can postpone answering. Therefore, this instrument slows down the communication process which slows down the entire working process. Finally, e-mail as communication channel creates more misunderstandings than direct and active communication. In the interviews, most interviewees agreed that they were facing hard time understanding what Carol was trying to convey to them. In short, communication process of the team is having some issues that need to be fixed to become a more effective SMWT.

About **conflicts**, there always conflicts which relate to work not relationships in the team. Carol, Trinh, and Quang are in the same generation (born in 1993, 1992, and 1991). Therefore, they share the same thoughts when coming up with ideas or plans. However, Te is 42 years old, and Hanh is 32 years old. They are considered in old generation in the way that they always have conflicting ideas.

The problem is Te is the second highest leader of the team because he is considered matured and experienced from the perspective of the CEO while he does not share the same values with the highest leader and Trinh and Quang. This problem results in whole-day-long meetings every two weeks to explain and persuade each other, decreasing the productivity. In addition, the conflicts of points of view demotivate the team members initiating. Quang and Trinh feel more and more likely to leave the company because of these value conflicts. In short, although there are few relational conflicts, there are more of the working or value conflicts that demotivate the team members to cooperate.

All team members agree that Te does not accomplish his role effectively as a team leader. He just spends half of his working time with the team. Also he rarely joins in planning process. He is “just the one who works as the news informer between Carol and the rest of the team”. This happens because Te is the nephew of the CEO. In Vietnam, it is normal that the members of an extended family are exceptionally chosen for high positions even without right ability or skills.

There are many initiatives that team members like Trinh and Quang give to Te to improve some projects or process. However, these initiatives are mostly discarded. According to Trinh, many times of rejection give her and other members a feeling that the company does not want to change for the better. Even they accept the initiative, the cooperation is slow. For example, Trinh needs the reception systems of two Bon Pas shops synchronize, so she can do the job faster. However, she waits for Te five months without completion.

Despite all existing issues, the team feel really connected and want to stay in for a long time. They trust each other, and have the feeling that if they try the best, they can achieve all the goals. However, Te is one of the person who spoils the teamwork when he becomes the team leader. He has an extreme different point of view from others. Therefore, all team members and Carol believe that if Te is eliminated off the team, the team will be better off.



When asked about the team **purpose**, everyone had different answers, and does not think other members would provide same answers. They said because the leader never had an official meeting to tell about the team purpose, mission or vision. However, their answers have one thing in common that is expanding Bon Pas chain and brand. In order to become more effective, the leader Carol should communicate with their team members about her vision, mission, and long-term and short-term goals so people can know where to go.

In addition, Carol regularly conducts **KPI to assess team performance** and individual performance. She will use the KPI to know the development of the team members and give a suitable salary. However, she admitted that the KPI she uses is not very well-designed that she thinks it does not give a good assessment. From the team perspective, since the team receives salary on behaviours and skills which means team members should stick to rules and code of conducts to receive a better salary, they feel stagnant when coming up with new ideas. The reason is they do not receive higher salary if they pay more effort. Furthermore, they do not receive recognition from the team leader, so that the performance is low. All team members agrees that they also have growth demand which are not met. The reason is the SMEs in Vietnam just care about the short-term goals which should eliminate all the “irrelevant” costs as much as possible.

The next is about the overall environment around the team. First problem all the team members and team leaders agree is that the higher executives regularly interrupt their plans by adding or eliminate things that they think it works. The reason is they do not 100% believe in the team of young people. For example, on the first anniversary of Bon Pas birthday, the CEO forced the Bon Pas team to give away some valuable gifts like motorbike or cell phones while the Bon Pas team disagreed. The reason is this promotion program would not bring any benefit back, even for the brand or profit. The high valuable gifts finally reduced the profit at that time.

The second environmental problem is about the culture of hierarchy in Vietnam. In Vietnam, the older people seem to have more power and experience.

Therefore, the team members agree that it is psychologically difficult for them if they become a leader of one project and lead the older people. Moreover, discussing openly with the older people is sometimes considered impolite, so they just avoid confrontation and try to look for harmony. However, the environment of SMWT encourages people to discuss and debate the issues to find the best option.

The third problem is about the culture of responsibility in Vietnam. The team members have the notion of shared responsibility which means that when the team has a mistake, the whole team takes responsibility. Although this norm makes the team more cohesive, it does not figure out who makes the mistake. In contrast, the SMWT encourages team members to take personal accountability and individual responsibility. There is no supervisors within the SMWT, so team members have to manage themselves and take accountability for improvements. The Bon Pas team admits that hardly manage themselves.

In short, the Bon Pas team has enough ability and technical skills to do the tasks. However, there are some challenges like the family members working in team, the weak interpersonal skills, the higher executive members of the company interrupting and not trusting completely the team, and some cultural problems affects the team members' mind-set towards the SMWT concept. The Bon Pas team actually can integrate an effective SMWT into its organization, but they definitely plan a detailed progress how team transforms to a SMWT. In addition, the higher executives need to have more trust by allowing them to do the small projects by themselves first, then allowing them to do bigger projects without interruption. Finally, the manager should pick the right people regardless of their status or executives' family members then provide the whole team intensive training to have enough competency to work as a SMWT.

## **5. IMPLICATIONS**

This paper give an overview of SMWT in a specific company in Vietnam. Based on this example, other SMEs in Vietnam can learn from the issues from Dong Tien Company to prepare a better context for their team to transform. They need to train

the team to work properly, they need to change the higher management mind-set, and also choose the right people to work as a SMWT.

## **6. LIMITATIONS AND FUTURE RESEARCH**

This paper applied qualitative research method which mainly focused on one case study in Vietnam. One case study cannot represent other situations, so there should be more research, especially quantitative research on SMWT in Vietnam to be more profound. Furthermore, there should be more research on SMWT in other industry rather than food industry in Vietnam. High tech companies are different from companies in traditional industries in implementing SMWTs. Finally, there should be more research on the environment inside and outside the organization that implements the self-management work team concept.

## **7. CONCLUSIONS**

Vietnam is having tough competition when joining free trade zones. SMEs in Vietnam with limited resources and a low level of management and advanced technology applications are facing hard time when competing with companies, especially multinational companies. To respond to difficulties, many of Vietnamese companies try to implement SMWTs to boost the organizational performance and reduce waste. However, there are hidden barriers that prevent them from implementing effective SMWTs.

The first barrier is the interpersonal process of the team. The team has hard time of communication and conflict-solving. These problems derive from the education system of Vietnam that does not emphasize the social skills. The second barrier is the family-company-relevant problems. The family members without appropriate skills or knowledge definitely affects the working process. In addition, the higher executives without trust in the team will interrupt the team process, lowering the work quality. The final barrier is the cultural contrasts of a legitimate SMWT and the team from Vietnam. While the SMWT requires the behaviours like team members solve problems, resolve conflicts, set goals, assess performance, initiate change, and communicate upward, and managers delegate, provide information, and encourage open communication, the team from Vietnam has behaviours like team members

follow instructions, respect managers, receive feedback, avoid conflict and criticism, save face, and managers make decisions, direct, control and discipline.

The education system and culture of Vietnam has create a society that has many barriers to integrate an effective SMWT. However, with an appropriate team member selection, senior executive trust and support, intensive training, and a clear pathway to the SMWT, a traditional team in Vietnam can transform to a SMWT.

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